

104TH CONGRESS
1ST SESSION

H. R. 2145

To reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

IN THE HOUSE OF REPRESENTATIVES

JULY 31, 1995

Mr. GILCHREST (for himself, Mr. SHUSTER, Mr. MINETA, Mr. WISE, and Mr. WICKER) introduced the following bill; which was referred to the Committee on Transportation and Infrastructure, and in addition to the Committee on Banking and Financial Services, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To reauthorize and make reforms to programs authorized by the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; EFFECTIVE DATE.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Economic Development Partnership Act of 1995”.

1 (b) EFFECTIVE DATE.—Except as otherwise ex-
2 pressly provided, this Act and the amendments made by
3 this Act shall take effect on October 1, 1995.

4 **TITLE I—PUBLIC WORKS AND**
5 **ECONOMIC DEVELOPMENT**

6 **SEC. 101. REAUTHORIZATION OF PUBLIC WORKS AND ECO-**
7 **NOMIC DEVELOPMENT ACT OF 1965.**

8 The Public Works and Economic Development Act of
9 1965 (40 U.S.C. 3131 et seq.) is amended by striking all
10 after the first section and inserting the following:

11 **“SEC. 2. FINDINGS AND DECLARATION.**

12 “(a) FINDINGS.—Congress finds that—

13 “(1) the maintenance of the national economy
14 at a high level is vital to the best interests of the
15 United States, but that some of our regions, coun-
16 ties, and communities are suffering substantial and
17 persistent unemployment and underemployment that
18 cause hardship to many individuals and their fami-
19 lies, and waste invaluable human resources;

20 “(2) to overcome this problem the Federal Gov-
21 ernment, in cooperation with the States, should help
22 areas and regions of substantial and persistent un-
23 employment and underemployment to take effective
24 steps in planning and financing their public works
25 and economic development;

1 “(3) Federal financial assistance, including
2 grants for public works and development facilities to
3 communities, industries, enterprises, and individuals
4 in areas needing development should enable such
5 areas to help themselves achieve lasting improve-
6 ment and enhance the domestic prosperity by the es-
7 tablishment of stable and diversified local economies
8 and improved local conditions, if such assistance is
9 preceded by and consistent with sound, long-range
10 economic planning; and

11 “(4) under the provisions of this Act, new em-
12 ployment opportunities should be created by develop-
13 ing and expanding new and existing public works
14 and other facilities and resources rather than by
15 merely transferring jobs from one area of the United
16 States to another.

17 “(b) DECLARATION.—Congress declares that, in fur-
18 therance of maintaining the national economy at a high
19 level—

20 “(1) the assistance authorized by this Act
21 should be made available to both rural and urban
22 areas;

23 “(2) such assistance should be made available
24 for planning for economic development prior to the

1 actual occurrences of economic distress in order to
2 avoid such condition; and

3 “(3) such assistance should be used for long-
4 term economic rehabilitation in areas where long-
5 term economic deterioration has occurred or is tak-
6 ing place.

7 **“TITLE I—ECONOMIC DEVELOP-**
8 **MENT REGIONAL COMMIS-**
9 **SIONS**

10 **“SEC. 101. ESTABLISHMENT OF REGIONAL COMMISSIONS.**

11 “(a) ESTABLISHMENT.—There is established for each
12 region established by section 105 an Economic Develop-
13 ment Regional Commission (hereinafter in this Act re-
14 ferred to as a ‘Regional Commission’).

15 “(b) MEMBERSHIP.—

16 “(1) IN GENERAL.—Each Regional Commission
17 shall be composed of 1 Federal member and 1 State
18 member from each participating State in the region
19 represented by the Regional Commission.

20 “(2) FEDERAL COCHAIRPERSON.—The Federal
21 member of each Regional Commission shall be the
22 Secretary of Commerce (hereinafter in this Act re-
23 ferred to as the ‘Secretary’). The Secretary shall
24 serve as the Federal Cochairperson of each Regional
25 Commission.

1 “(3) STATE MEMBERS.—

2 “(A) IN GENERAL.—Each State member of
3 a Regional Commission shall be the chief execu-
4 tive officer of the State. The State members of
5 a Regional Commission shall elect a Cochairper-
6 son from among such State members for a term
7 of not less than 1 year.

8 “(B) ALTERNATES.—Each State member
9 of a Regional Commission may have a single al-
10 ternate, appointed by the Chief Executive Offi-
11 cer from among members of the Chief Execu-
12 tive Officer’s cabinet or the Chief Executive Of-
13 ficer’s personal staff. An alternate shall vote in
14 the event of the absence, death, disability, re-
15 moval, or resignation of the State representa-
16 tive for which he or she is an alternate. A State
17 alternate shall not be counted toward the estab-
18 lishment of a quorum of the Commission in any
19 instance in which a quorum of the State mem-
20 bers is required to be present.

21 “(c) DECISIONMAKING.—

22 “(1) VOTING.—Decisions by a Regional Com-
23 mission shall require an affirmative vote of the Sec-
24 retary (or the Secretary’s designee) and of the ma-
25 jority of the State members.

1 “(2) QUORUM.—No decision of a Regional
2 Commission involving Commission policy, developing
3 investment strategies, or allocating funds among
4 States may be made without the Secretary (or the
5 Secretary’s designee) and a quorum of the State
6 members present. For purposes of this Act, the Sec-
7 retary (or the Secretary’s designee) and a majority
8 of the State members shall constitute a quorum.

9 **“SEC. 102. COOPERATION OF FEDERAL AGENCIES.**

10 “Each Federal department and agency, in accordance
11 with applicable laws and within the limits of available
12 funds, shall cooperate with each Regional Commission in
13 order to assist the Regional Commission in carrying out
14 the functions of the Regional Commission.

15 **“SEC. 103. ADMINISTRATIVE EXPENSES.**

16 “(a) PAYMENT BY STATES.—Fifty percent of the ad-
17 ministrative expenses of a Regional Commission (other
18 than the expenses of the Secretary) shall be paid by the
19 States in the region represented by the Regional Commis-
20 sion and the remaining 50 percent of such expenses shall
21 be paid by the Federal Government. The expenses of the
22 Secretary and the Secretary’s staff shall be paid solely by
23 the Federal Government.

24 “(b) DETERMINATION OF STATE SHARE.—The share
25 of the administrative expenses to be paid by each State

1 shall be determined by the Regional Commission. The Sec-
2 retary shall not participate or vote in such determination.

3 “(c) DELINQUENT PAYMENTS.—No assistance au-
4 thorized by this Act shall be furnished to any State or
5 to any political subdivision or resident of a State, nor shall
6 the State member of a Regional Commission participate
7 or vote in any determination by the Regional Commission,
8 while such State is delinquent in the payment of such
9 State’s share of the administrative expenses of the Re-
10 gional Commission.

11 **“SEC. 104. ADMINISTRATIVE POWERS.**

12 “To carry out its duties under this Act, consistent
13 with regulations issued by the Secretary, a Regional Com-
14 mission may take any of the following actions:

15 “(1) Adopt, amend, and repeal bylaws and rules
16 governing the conduct of the Regional Commission’s
17 business and the performance of its functions.

18 “(2) Appoint and fix the pay of an executive di-
19 rector and such other personnel as may be necessary
20 to enable the Regional Commission to carry out its
21 functions; except that the compensation for any indi-
22 vidual so appointed shall not exceed the rate of basic
23 pay for level V of the Executive Schedule and no
24 member, officer, or employee of the Regional Com-
25 mission, other than the Secretary, employees of the

1 Secretary, and any Federal employees detailed under
2 paragraph (3), shall be deemed a Federal employee
3 for any purpose.

4 “(3) Request the head of a Federal department
5 or agency to detail to temporary duty with the Re-
6 gional Commission such personnel within the admin-
7 istrative jurisdiction of such head as the Regional
8 Commission may need for carrying out its functions,
9 and each such detail shall be without loss of senior-
10 ity, pay, or other employee status.

11 “(4) Arrange for the services of personnel from
12 any State or local government or any subdivision or
13 agency thereof, or any intergovernmental agency.

14 “(5) Make arrangements, including contracts,
15 with any participating State government for inclu-
16 sion in a suitable retirement and employee benefits
17 system of such of its personnel as may not be eligi-
18 ble for, or continue in, another governmental retire-
19 ment or employee benefit system, or otherwise pro-
20 vide for such coverage of its personnel. The Director
21 of the Office of Personnel Management is authorized
22 to contract with a Regional Commission for contin-
23 ued coverage of any Regional Commission employee
24 who, on a date in the 6-month period ending on the
25 date of Regional Commission employment, was a

1 Federal employee, in the retirement program and
2 other employee benefit programs of the Federal Gov-
3 ernment.

4 “(6) Accept, use, and dispose of gifts or dona-
5 tions of services or property, real, personal, or
6 mixed, tangible or intangible.

7 “(7) Subject to the requirements of the Federal
8 Property and Administrative Services Act of 1949,
9 enter into and perform such contracts, leases, coop-
10 erative agreements, or other transactions as may be
11 necessary in carrying out the Regional Commission’s
12 functions and on such terms as the Regional Com-
13 mission may deem appropriate, with any depart-
14 ment, agency, or instrumentality of the United
15 States, or with any person, firm, association, or cor-
16 poration.

17 “(8) Take such other actions and incur such
18 other expenses as may be necessary and appropriate.

19 **“SEC. 105. ESTABLISHMENT OF REGIONS.**

20 “(a) IN GENERAL.—For the purposes of this Act,
21 there are established 8 regions of the United States as
22 follows:

23 “(1) REGION I.—Region I shall be composed of
24 the States of Alabama, Florida, Georgia, Kentucky,

1 Mississippi, North Carolina, South Carolina, and
2 Tennessee.

3 “(2) REGION II.—Region II shall be composed
4 of the States of Arkansas, Louisiana, New Mexico,
5 Oklahoma, and Texas.

6 “(3) REGION III.—Region III shall be composed
7 of the States of Illinois, Indiana, Michigan, Min-
8 nesota, Ohio, and Wisconsin.

9 “(4) REGION IV.—Region IV shall be composed
10 of the States of Colorado, Iowa, Kansas, Missouri,
11 Montana, Nebraska, North Dakota, South Dakota,
12 Utah, and Wyoming.

13 “(5) REGION V.—Region V shall be composed
14 of the State of California.

15 “(6) REGION VI.—Region VI shall be composed
16 of the States of Alaska, Arizona, Hawaii, Idaho, Ne-
17 vada, Oregon, and Washington and American
18 Samoa, Guam, the Marshall Islands, Micronesia,
19 and the Northern Mariana Islands.

20 “(7) REGION VII.—Region VII shall be com-
21 posed of the States of Delaware, Maryland, New
22 Jersey, New York, Pennsylvania, Virginia, and West
23 Virginia and the District of Columbia.

24 “(8) REGION VIII.—Region VIII shall be com-
25 posed of the States of Connecticut, Maine, Massa-

1 chusetts, New Hampshire, Rhode Island, and Ver-
2 mont and Puerto Rico and the Virgin Islands.

3 “(b) PARTICIPATION NOT REQUIRED.—No State
4 shall be required to participate in any program under this
5 Act.

6 **“TITLE II—GRANTS FOR PUBLIC**
7 **WORKS AND DEVELOPMENT**
8 **FACILITIES**

9 **“SEC. 201. DIRECT AND SUPPLEMENTARY GRANTS.**

10 “(a) IN GENERAL.—Upon the application of any eli-
11 gible recipient, a Regional Commission may—

12 “(1) make direct grants for the acquisition or
13 development of land and improvements for public
14 works, public service, or development facility usage,
15 and the acquisition, design and engineering, con-
16 struction, rehabilitation, alteration, expansion, or im-
17 provement of such facilities, including related ma-
18 chinery and equipment, within an area described in
19 section 502(a), if the Regional Commission finds
20 that—

21 “(A) the project for which financial assist-
22 ance is sought will directly or indirectly—

23 “(i) tend to improve the opportunities,
24 in the area where such project is or will be
25 located, for the successful establishment or

1 expansion of industrial or commercial
2 plants or facilities;

3 “(ii) otherwise assist in the creation
4 of additional long-term employment oppor-
5 tunities for such area; or

6 “(iii) primarily benefit the long-term
7 unemployed and members of low-income
8 families;

9 “(B) the project for which a grant is re-
10 quested will fulfill a pressing need of the area,
11 or part thereof, in which it is, or will be,
12 located;

13 “(C) the area for which a project is to be
14 undertaken has an approved investment strat-
15 egy as provided by section 503 and such project
16 is consistent with such strategy; and

17 “(D) in the case of an area described in
18 section 502(a)(4), the project to be undertaken
19 will provide immediate useful work to unem-
20 ployed and underemployed persons in that area;
21 and

22 “(2) make supplementary grants in order to en-
23 able the States and other entities within areas de-
24 scribed in section 502(a) to take maximum advan-
25 tage of designated Federal grant-in-aid programs (as

1 defined in subsection (c)(4)), direct grants-in-aid au-
2 thorized under this section, and Federal grant-in-aid
3 programs authorized by the Watershed Protection
4 and Flood Prevention Act (68 Stat. 666), and the
5 11 watersheds authorized by the Flood Control Act
6 of December 22, 1944 (58 Stat. 887), for which
7 they are eligible but for which, because of their eco-
8 nomic situation, they cannot supply the required
9 matching share.

10 “(b) COST SHARING.—Subject to subsection (c), the
11 amount of any direct grant under this subsection for any
12 project shall not exceed 50 percent of the cost of such
13 project.

14 “(c) REQUIREMENTS APPLICABLE TO SUPPLE-
15 MENTARY GRANTS.—

16 “(1) AMOUNT OF SUPPLEMENTARY GRANTS.—

17 “(A) IN GENERAL.—Except as provided by
18 subparagraph (B), the amount of any supple-
19 mentary grant under this section for any
20 project shall not exceed the applicable percent-
21 age established by regulations promulgated by
22 the Secretary, but in no event shall the non-
23 Federal share of the aggregate cost of any such
24 project (including assumptions of debt) be less
25 than 20 percent of such cost.

1 “(B) EXCEPTIONS.—Notwithstanding sub-
2 paragraph (A)—

3 “(i) in the case of a grant to an In-
4 dian tribe, a Regional Commission may re-
5 duce the non-Federal share below the per-
6 centage specified in subparagraph (A) or
7 may waive the non-Federal share;

8 “(ii) in the case of any State or a po-
9 litical subdivision of the State which the
10 Regional Commission determines has ex-
11 hausted its effective taxing and borrowing
12 capacity, the Regional Commission shall
13 reduce the non-Federal share below the
14 percentage specified in subparagraph (A)
15 or shall waive the non-Federal share in the
16 case of such a grant for a project in an
17 area described in section 502(a)(4); and

18 “(iii) in case of any community devel-
19 opment corporation which the Regional
20 Commission determines has exhausted its
21 effective borrowing capacity, the Regional
22 Commission may reduce the non-Federal
23 share below the percentage specified in
24 subparagraph (A) or waive the non-Federal
25 share in the case of such a grant for a

1 project in an area described in section
2 502(a)(4).

3 “(2) FORM OF SUPPLEMENTARY GRANTS.—
4 Supplementary grants shall be made by a Regional
5 Commission, in accordance with such regulations as
6 the Secretary may prescribe, by increasing the
7 amounts of direct grants authorized under this sec-
8 tion or by the payment of funds appropriated under
9 this Act to the heads of the departments, agencies,
10 and instrumentalities of the Federal Government re-
11 sponsible for the administration of the applicable
12 Federal programs.

13 “(3) FEDERAL SHARE LIMITATIONS SPECIFIED
14 IN OTHER LAWS.—Notwithstanding any requirement
15 as to the amount or sources of non-Federal funds
16 that may otherwise be applicable to the Federal pro-
17 gram involved, funds provided under this subsection
18 shall be used for the sole purpose of increasing the
19 Federal contribution to specific projects in areas de-
20 scribed in section 502(a) under such programs above
21 the fixed maximum portion of the cost of such
22 project otherwise authorized by the applicable law.

23 “(4) DESIGNATED FEDERAL GRANT-IN-AID
24 PROGRAMS DEFINED.—In this subsection, the term
25 ‘designated Federal grant-in-aid programs’ means

1 such existing or future Federal grant-in-aid pro-
2 grams assisting in the construction or equipping of
3 facilities as the Secretary may, in furtherance of the
4 purposes of this Act, designate as eligible for alloca-
5 tion of funds under this section.

6 “(5) CONSIDERATION OF RELATIVE NEED IN
7 DETERMINING AMOUNT.—In determining the
8 amount of any supplementary grant available to any
9 project under this section, a Regional Commission
10 shall take into consideration the relative needs of the
11 area and the nature of the projects to be assisted.

12 “(d) REGULATIONS.—The Secretary shall prescribe
13 rules, regulations, and procedures to carry out this section
14 which will assure that adequate consideration is given to
15 the relative needs of eligible areas. In prescribing such
16 rules, regulations, and procedures the Secretary shall con-
17 sider among other relevant factors—

18 “(1) the severity of the rates of unemployment
19 in the eligible areas and the duration of such unem-
20 ployment; and

21 “(2) the income levels of families and the extent
22 of underemployment in eligible areas.

23 “(e) REVIEW AND COMMENT UPON PROJECTS BY
24 LOCAL GOVERNMENTAL AUTHORITIES.—The Secretary
25 shall prescribe regulations which will assure that appro-

1 priate local governmental authorities have been given a
2 reasonable opportunity to review and comment upon pro-
3 posed projects under this section.

4 **“SEC. 202. CONSTRUCTION COST INCREASES.**

5 “In any case where a grant (including a supplemental
6 grant) has been made by a Regional Commission under
7 this title for a project and after such grant has been made
8 but before completion of the project, the cost of such
9 project based upon the designs and specifications which
10 were the basis of the grant has been increased because
11 of increases in costs, the amount of such grant may be
12 increased by an amount equal to the percentage increase,
13 as determined by the Regional Commission, in such costs,
14 but in no event shall the percentage of the Federal share
15 of such project exceed that originally provided for in such
16 grant.

17 **“SEC. 203. USE OF FUNDS IN PROJECTS CONSTRUCTED**
18 **UNDER PROJECTED COST.**

19 “In any case where a grant (including a supplemental
20 grant) has been made by a Regional Commission under
21 this title for a project, and after such grant has been made
22 but before completion of the project, the cost of such
23 project based upon the designs and specifications which
24 were the basis of the grant has decreased because of de-
25 creases in costs, such underrun funds may be used to im-

1 prove the project either directly or indirectly as deter-
2 mined by the Regional Commission.

3 **“SEC. 204. CHANGED PROJECT CIRCUMSTANCES.**

4 “In any case where a grant (including a supplemental
5 grant) has been made by a Regional Commission under
6 this title for a project, and after such grant has been made
7 but before completion of the project, the purpose or scope
8 of such project based upon the designs and specifications
9 which were the basis of the grant has changed, the Re-
10 gional Commission may approve the use of grant funds
11 on such changed project if the Regional Commission deter-
12 mines that such changed project meets the requirements
13 of this title and that such changes are necessary to en-
14 hance economic development in the area.

15 **“TITLE III—SPECIAL ECONOMIC**
16 **DEVELOPMENT AND ADJUST-**
17 **MENT ASSISTANCE**

18 **“SEC. 301. STATEMENT OF PURPOSE.**

19 “The purpose of this title to provide special economic
20 development and adjustment assistance programs to help
21 State and local areas meet special needs arising from ac-
22 tual or threatened severe unemployment arising from eco-
23 nomic dislocation, including unemployment arising from
24 actions of the Federal Government and from compliance
25 with environmental requirements which remove economic

1 activities from a locality, and economic adjustment prob-
2 lems resulting from severe changes in economic conditions
3 (including long-term economic deterioration), and to en-
4 courage cooperative intergovernmental action to prevent
5 or solve economic adjustment problems. Nothing in this
6 title is intended to replace the efforts of the economic ad-
7 justment program of the Department of Defense.

8 **“SEC. 302. GRANTS BY REGIONAL COMMISSIONS.**

9 “(a) IN GENERAL.—A Regional Commission is au-
10 thorized to make grants directly to any eligible recipient
11 in an area which the Regional Commission determines, in
12 accordance with criteria to be established by the Secretary
13 by regulation—

14 “(1) has experienced, or may reasonably be
15 foreseen to be about to experience, a special need to
16 meet an expected rise in unemployment, or other
17 economic adjustment problems (including those
18 caused by any action or decision of the Federal Gov-
19 ernment); or

20 “(2) has demonstrated long-term economic de-
21 terioration.

22 “(b) PURPOSES.—Amounts from grants under sub-
23 section (a) shall be used by an eligible recipient to carry
24 out or develop an investment strategy which—

25 “(1) meets the requirements of section 503; and

1 “(2) is approved by the Regional Commission.

2 “(c) TYPES OF ASSISTANCE.—In carrying out an in-
3 vestment strategy using amounts from grants under sub-
4 section (a), an eligible recipient may provide assistance for
5 any of the following:

6 “(1) Public facilities.

7 “(2) Public services.

8 “(3) Business development.

9 “(4) Planning.

10 “(5) Research and technical assistance.

11 “(6) Administrative expenses.

12 “(7) Training.

13 “(8) Relocation of individuals and businesses.

14 “(9) Other assistance which demonstrably fur-
15 thers the economic adjustment objectives of this
16 title.

17 “(d) DIRECT EXPENDITURE OR REDISTRIBUTION BY
18 RECIPIENT.—Amounts from grants under subsection (a)
19 may be used in direct expenditures by the eligible recipient
20 or through redistribution by the eligible recipient to public
21 and private entities in grants, loans, loan guarantees, pay-
22 ments to reduce interest on loan guarantees, or other ap-
23 propriate assistance, but no grant shall be made by an
24 eligible recipient to a private profit-making entity.

1 “(e) COORDINATION.—A Regional Commission to the
2 extent practicable shall coordinate the activities relating
3 to the requirements for investment strategies and making
4 grants and loans under this title with other Federal pro-
5 grams, States, economic development districts, and other
6 appropriate planning and development organizations.

7 “(f) BASE CLOSINGS AND REALIGNMENTS.—

8 “(1) LOCATION OF PROJECTS.—In any case in
9 which a Regional Commission determines a need for
10 assistance under subsection (a) due to the closure or
11 realignment of a military installation, the Regional
12 Commission may make such assistance available for
13 projects to be carried out on the military installation
14 and for projects to be carried out in communities ad-
15 versely affected by the closure or realignment.

16 “(2) INTEREST IN PROPERTY.—Notwithstand-
17 ing any other provision of law, a Regional Commis-
18 sion may provide to an eligible recipient any assist-
19 ance available under this Act for a project to be car-
20 ried out on a military installation that is closed or
21 scheduled for closure or realignment without requir-
22 ing that the eligible recipient have title to the prop-
23 erty or a leasehold interest in the property for any
24 specified term.

1 **“SEC. 303. ANNUAL REPORTS BY RECIPIENT.**

2 “Each eligible recipient which receives assistance
3 under this title from a Regional Commission shall annu-
4 ally during the period such assistance continue to make
5 a full and complete report to the Regional Commission,
6 in such manner as the Regional Commission shall pre-
7 scribe, and such report shall contain an evaluation of the
8 effectiveness of the economic assistance provided under
9 this title in meeting the need it was designed to alleviate
10 and the purposes of this title.

11 **“SEC. 304. SALE OF FINANCIAL INSTRUMENTS IN REVOLV-**
12 **ING LOAN FUNDS.**

13 “Any loan, loan guarantee, equity, or other financial
14 instrument in the portfolio of a revolving loan fund, in-
15 cluding any financial instrument made available using
16 amounts from a grant made before the effective date of
17 the Economic Development Partnership Act of 1995, may
18 be sold, encumbered, or pledged at the discretion of the
19 grantee of the Fund, to a third party provided that the
20 net proceeds of the transaction—

21 “(1) shall be deposited into the Fund and may
22 only be used for activities which are consistent with
23 the purposes of this title; and

24 “(2) shall be subject to the financial manage-
25 ment, accounting, reporting, and auditing standards
26 which were originally applicable to the grant.

1 **“SEC. 305. TREATMENT OF REVOLVING LOAN FUNDS.**

2 “(a) IN GENERAL.—Amounts from grants made
3 under this title which are used by an eligible recipient to
4 establish a revolving loan fund shall not be treated, except
5 as provided by subsection (b), as amounts derived from
6 Federal funds for the purposes of any Federal law after
7 such amounts are loaned from the fund to a borrower and
8 repaid to the fund.

9 “(b) EXCEPTIONS.—Amounts described in subsection
10 (a) which are loaned from a revolving loan fund to a bor-
11 rower and repaid to the fund—

12 “(1) may only be used for activities which are
13 consistent with the purposes of this title; and

14 “(2) shall be subject to the financial manage-
15 ment, accounting, reporting, and auditing standards
16 which were originally applicable to the grant.

17 “(c) REGULATIONS.—Not later than 30 days after
18 the effective date of the Economic Development Partner-
19 ship Act of 1995, the Secretary shall issue regulations to
20 carry out subsection (a).

21 “(d) PUBLIC REVIEW AND COMMENT.—Before issu-
22 ing any final guidelines or administrative manuals govern-
23 ing the operation of revolving loan funds established using
24 amounts from grants under this title, the Secretary shall
25 provide reasonable opportunity for public review of and
26 comment on such guidelines and administrative manuals.

1 “(e) APPLICABILITY TO PAST GRANTS.—The re-
2 quirements of this section applicable to amounts from
3 grants made under this title shall also apply to amounts
4 from grants made, before the effective date of the Eco-
5 nomic Development Partnership Act of 1995, under title
6 I of this Act, as in effect on the day before such effective
7 date.

8 **“TITLE IV—TECHNICAL ASSIST-**
9 **ANCE, RESEARCH, AND IN-**
10 **FORMATION**

11 **“SEC. 401. TECHNICAL ASSISTANCE.**

12 “(a) IN GENERAL.—In carrying out its duties under
13 this Act, a Regional Commission may provide technical as-
14 sistance which would be useful in alleviating or preventing
15 conditions of excessive unemployment or underem-
16 ployment to areas which the Regional Commission finds
17 have substantial need for such assistance. Such assistance
18 shall include project planning and feasibility studies, man-
19 agement and operational assistance, establishment of busi-
20 ness outreach centers, and studies evaluating the needs
21 of, and development potentialities for, economic growth of
22 such areas.

23 “(b) PROCEDURES AND TERMS.—

1 “(1) MANNER OF PROVIDING ASSISTANCE.—As-
2 sistance may be provided by a Regional Commission
3 through—

4 “(A) members of the Regional Commis-
5 sion’s staff;

6 “(B) the payment of funds authorized for
7 this section to departments or agencies of the
8 Federal Government;

9 “(C) the employment of private individ-
10 uals, partnerships, firms, corporations, or suit-
11 able institutions under contracts entered into
12 for such purposes; or

13 “(D) grants-in-aid to appropriate public or
14 private nonprofit State, area, district, or local
15 organizations.

16 “(2) REPAYMENT TERMS.—A Regional Com-
17 mission, in its discretion, may require the repayment
18 of assistance provided under this subsection and pre-
19 scribe the terms and conditions of such repayment.

20 “(c) GRANTS COVERING ADMINISTRATIVE EX-
21 PENSES.—

22 “(1) IN GENERAL.—A Regional Commission
23 may make grants to defray not to exceed 75 percent
24 of the administrative expenses of organizations
25 which the Regional Commission determines to be

1 qualified to receive grants-in-aid under subsections
2 (a) and (b); except that in the case of a grant under
3 this subsection to an Indian tribe, the Regional
4 Commission is authorized to defray up to 100 per-
5 cent of such expenses.

6 “(2) DETERMINATION OF NON-FEDERAL
7 SHARE.—In determining the amount of the non-Fed-
8 eral share of such costs or expenses, a Regional
9 Commission shall give due consideration to all con-
10 tributions both in cash and in kind, fairly evaluated,
11 including contributions of space, equipment, and
12 services.

13 “(3) USE OF GRANTS WITH PLANNING
14 GRANTS.—Where practicable, grants-in-aid author-
15 ized under this subsection shall be used in conjunc-
16 tion with other available planning grants to assure
17 adequate and effective planning and economical use
18 of funds.

19 “(d) AVAILABILITY OF TECHNICAL INFORMATION;
20 FEDERAL PROCUREMENT.—A Regional Commission shall
21 aid areas described in section 502(a) and other areas by
22 furnishing to interested individuals, communities, indus-
23 tries, and enterprises within such areas any assistance,
24 technical information, market research, or other forms of
25 assistance, information, or advice which would be useful

1 in alleviating or preventing conditions of excessive unem-
2 ployment or underemployment within such areas. The Re-
3 gional Commission may furnish the procurement divisions
4 of the various departments, agencies, and other instru-
5 mentalities of the Federal Government with a list contain-
6 ing the names and addresses of business firms which are
7 located in areas described in section 502(a) and which are
8 desirous of obtaining Government contracts for the fur-
9 nishing of supplies or services, and designating the sup-
10 plies and services such firms are engaged in providing.

11 **“SEC. 402. ECONOMIC DEVELOPMENT PLANNING.**

12 “(a) DIRECT GRANTS.—

13 “(1) IN GENERAL.—A Regional Commission
14 may, upon application of any State, or city, or other
15 political subdivision of a State, or sub-State plan-
16 ning and development organization (including an
17 area described in section 502(a) or an economic de-
18 velopment district), make direct grants to such
19 State, city, or other political subdivision, or organi-
20 zation to pay up to 80 percent of the cost for eco-
21 nomic development planning.

22 “(2) PLANNING PROJECTS SPECIFICALLY IN-
23 CLUDED.—The planning for cities, other political
24 subdivisions, and sub-State planning and develop-
25 ment organizations (including areas described in sec-

1 tion 502(a) and economic development districts) as-
 2 sisted under this section shall include systematic ef-
 3 forts to reduce unemployment and increase incomes.

4 “(3) PLANNING PROCESS.—The planning shall
 5 be a continuous process involving public officials and
 6 private citizens in analyzing local economies, defin-
 7 ing development goals, determining project opportu-
 8 nities, and formulating and implementing a develop-
 9 ment program.

10 “(4) COORDINATION OF ASSISTANCE UNDER
 11 SECTION 401(C).—The assistance available under this
 12 section may be provided in addition to assistance
 13 available under section 401(c) but shall not supplant
 14 such assistance.

15 “(b) COMPLIANCE WITH REVIEW PROCEDURE.—The
 16 planning assistance authorized under this title shall be
 17 used in conjunction with any other available Federal plan-
 18 ning assistance to assure adequate and effective planning
 19 and economical use of funds.

20 **“TITLE V—ELIGIBILITY AND** 21 **INVESTMENT STRATEGIES**

22 **“PART A—ELIGIBILITY**

23 **“SEC. 501. ELIGIBLE RECIPIENT DEFINED.**

24 “‘In this Act, the term ‘eligible recipient’ means an
 25 area described in section 502(a), an economic development

1 district designated under section 510, an Indian tribe, a
2 State, a city or other political subdivision of a State, or
3 a consortium of such political subdivisions, or a public or
4 private nonprofit organization or association acting in co-
5 operation with officials of such political subdivisions.

6 **“SEC. 502. AREA ELIGIBILITY.**

7 “(a) CERTIFICATION.—In order to be eligible for as-
8 sistance under title II, an applicant seeking assistance to
9 undertake a project in an area shall certify, as part of
10 an application for such assistance, that the area on the
11 date of submission of such application meets 1 or more
12 of the following criteria:

13 “(1) The area has a per capita income of 80
14 percent or less of the national average.

15 “(2) The area has an unemployment rate 1 per-
16 cent above the national average percentage for the
17 most recent 24-month period for which statistics are
18 available.

19 “(3) The area has experienced or is about to
20 experience a sudden economic dislocation resulting
21 in job loss that is significant both in terms of the
22 number of jobs eliminated and the effect upon the
23 employment rate of the area.

24 “(4) The area is a community or neighborhood
25 (defined without regard to political or other subdivi-

1 sions or boundaries) which the Secretary determines
2 has one or more of the following conditions:

3 “(A) A large concentration of low-income
4 persons.

5 “(B) Rural areas having substantial out-
6 migration.

7 “(C) Substantial unemployment.

8 “(b) DOCUMENTATION.—A certification made under
9 subsection (a) shall be supported by Federal data, when
10 available, and in other cases by data available through the
11 State government. Such documentation shall be accepted
12 by a Regional Commission unless it is determined to be
13 inaccurate. The most recent statistics available shall be
14 used.

15 “(c) SPECIAL RULE.—An area which a Regional
16 Commission determines has 1 or more of the conditions
17 described in subsection (a)(4)—

18 “(1) shall not be subject to the requirements of
19 subparagraphs (A) and (C) of section 201(a)(1); and

20 “(2) shall not be eligible to meet the require-
21 ments of section 510(a)(1)(B).

22 “(d) PRIOR DESIGNATIONS.—Any designation of a
23 redevelopment area made before the effective date of the
24 Economic Development Partnership Act of 1995 shall not
25 be effective after such effective date.

1 **“SEC. 503. INVESTMENT STRATEGY.**

2 “A Regional Commission may provide assistance
3 under titles II and III to an applicant for a project only
4 if the applicant submits to the Regional Commission, as
5 part of an application for such assistance, and the Re-
6 gional Commission approves an investment strategy
7 which—

8 “(1) identifies the economic development prob-
9 lems to be addressed using such assistance;

10 “(2) identifies past, present, and projected fu-
11 ture economic development investments in the area
12 receiving such assistance and public and private par-
13 ticipants and sources of funding for such invest-
14 ments;

15 “(3) sets forth a strategy for addressing the
16 economic problems identified pursuant to paragraph
17 (1) and describes how the strategy will solve such
18 problems;

19 “(4) provides a description of the project nec-
20 essary to implement the strategy, estimates of costs,
21 and timetables; and

22 “(5) provides a summary of public and private
23 resources expected to be available for the project.

24 **“SEC. 504. APPROVAL OF PROJECTS.**

25 “Only applications for grants or other assistance
26 under this Act for specific projects shall be approved which

1 are certified by the State member of the Regional Com-
 2 mission representing such applicant and determined by
 3 the Secretary—

4 “(1) to be included in a State investment strat-
 5 egy approved by the Regional Commission;

6 “(2) to have adequate assurance that the
 7 project will be properly administered, operated, and
 8 maintained; and

9 “(3) to otherwise meet the requirements for as-
 10 sistance under this Act.

11 **“PART B—ECONOMIC DEVELOPMENT DISTRICTS**

12 **“SEC. 510. DESIGNATION OF ECONOMIC DEVELOPMENT**
 13 **DISTRICTS AND ECONOMIC DEVELOPMENT**
 14 **CENTERS.**

15 “(a) IN GENERAL.—In order that economic develop-
 16 ment projects of broader geographic significance may be
 17 planned and carried out, a Regional Commission may—

18 “(1) designate appropriate ‘economic develop-
 19 ment districts’ within the United States with the
 20 concurrence of the States in which such districts will
 21 be wholly or partially located, if—

22 “(A) the proposed district is of sufficient
 23 size or population, and contains sufficient re-
 24 sources, to foster economic development on a

1 scale involving more than a single area de-
2 scribed in section 502(a);

3 “(B) the proposed district contains at least
4 1 area described in section 502(a);

5 “(C) the proposed district contains 1 or
6 more areas described in section 502(a) or eco-
7 nomic development centers identified in an ap-
8 proved district investment strategy as having
9 sufficient size and potential to foster the eco-
10 nomic growth activities necessary to alleviate
11 the distress of the areas described in section
12 502(a) within the district; and

13 “(D) the proposed district has a district
14 investment strategy which includes adequate
15 land use and transportation planning and con-
16 tains a specific program for district cooperation,
17 self-help, and public investment and is approved
18 by the State or States affected and by the Re-
19 gional Commission;

20 “(2) designate as ‘economic development cen-
21 ters’, in accordance with such regulations as the
22 Secretary shall prescribe, such areas as the Regional
23 Commission may deem appropriate, if—

24 “(A) the proposed center has been identi-
25 fied and included in an approved district invest-

1 ment strategy and recommended by the State
2 or States affected for such special designation;

3 “(B) the proposed center is geographically
4 and economically so related to the district that
5 its economic growth may reasonably be expected
6 to contribute significantly to the alleviation of
7 distress in the areas described in section 502(a)
8 of the district; and

9 “(C) the proposed center does not have a
10 population in excess of 250,000 according to
11 the most recent Federal census.

12 “(3) provide financial assistance in accordance
13 with the criteria of this Act, except as may be herein
14 otherwise provided, for projects in economic develop-
15 ment centers designated under subsection (a)(2),
16 if—

17 “(A) the project will further the objectives
18 of the investment strategy of the district in
19 which it is to be located;

20 “(B) the project will enhance the economic
21 growth potential of the district or result in ad-
22 ditional long-term employment opportunities
23 commensurate with the amount of Federal fi-
24 nancial assistance requested; and

1 “(C) the amount of Federal financial as-
2 sistance requested is reasonably related to the
3 size, population, and economic needs of the dis-
4 trict;

5 “(4) subject to the 20 percent non-Federal
6 share required for any project by section 201(c), in-
7 crease the amount of grant assistance authorized by
8 section 201 for projects within areas described in
9 section 502(a), by an amount not to exceed 10 per-
10 cent of the aggregate cost of any such project, in ac-
11 cordance with such regulations as the Secretary
12 shall prescribe if—

13 “(A) the area described in section 502(a)
14 is situated within a designated economic devel-
15 opment district and is actively participating in
16 the economic development activities of the dis-
17 trict; and

18 “(B) the project is consistent with an ap-
19 proved investment strategy.

20 “(b) AUTHORITIES.—In designating economic devel-
21 opment districts and approving district investment strate-
22 gies under subsection (a), a Regional Commission may,
23 under regulations prescribed by the Secretary—

1 “(1) invite the several States to draw up pro-
2 posed district boundaries and to identify potential
3 economic development centers;

4 “(2) cooperate with the several States—

5 “(A) in sponsoring and assisting district
6 economic planning and development groups;
7 and

8 “(B) in assisting such district groups to
9 formulate district investment strategies; and

10 “(3) encourage participation by appropriate
11 local governmental authorities in such economic de-
12 velopment districts.

13 “(c) TERMINATION OR MODIFICATION OF DESIGNA-
14 TIONS.—The Secretary shall by regulation prescribe
15 standards for the termination or modification of economic
16 development districts and economic development centers
17 designated under the authority of this section.

18 “(d) DEFINITIONS.—In this Act, the following defini-
19 tions apply:

20 “(1) ECONOMIC DEVELOPMENT DISTRICT.—The
21 term ‘economic development district’ refers to any
22 area within the United States composed of cooperat-
23 ing areas described in section 502(a) and, where ap-
24 propriate, designated economic development centers
25 and neighboring counties or communities, which has

1 been designated by a Regional Commission as an
2 economic development district. Such term includes
3 any economic development district designated by the
4 Secretary under section 403 of this Act, as in effect
5 on the day before the effective date of the Economic
6 Development Partnership Act of 1995.

7 “(2) ECONOMIC DEVELOPMENT CENTER.—The
8 term ‘economic development center’ refers to any
9 area within the United States which has been identi-
10 fied as an economic development center in an ap-
11 proved investment strategy and which has been des-
12 ignated by a Regional Commission as eligible for fi-
13 nancial assistance under this Act in accordance with
14 the provisions of this section.

15 “(3) LOCAL GOVERNMENT.—The term ‘local
16 government’ means any city, county, town, parish,
17 village, or other general-purpose political subdivision
18 of a State.

19 “(e) PARTS OF ECONOMIC DEVELOPMENT DISTRICTS
20 NOT WITHIN AREAS DESCRIBED IN SECTION 502(a).—
21 A Regional Commission is authorized to provide the finan-
22 cial assistance which is available to an area described in
23 section 502(a) under this Act to those parts of an eco-
24 nomic development district which are not within an area
25 described in section 502(a), when such assistance will be

1 of a substantial direct benefit to an area described in sec-
 2 tion 502(a) within such district. Such financial assistance
 3 shall be provided in the same manner and to the same
 4 extent as is provided in this Act for an area described in
 5 section 502(a); except that nothing in this subsection shall
 6 be construed to permit such parts to receive the increase
 7 in the amount of grant assistance authorized subsection
 8 (a)(4).

9 **“TITLE VI—ADMINISTRATION**

10 **“PART A—GENERAL PROVISIONS**

11 **“SEC. 601. APPOINTMENT OF UNDER SECRETARY.**

12 “(a) IN GENERAL.—The Secretary shall carry out
 13 the Secretary’s duties under this Act acting through an
 14 Under Secretary of Commerce for Economic Development
 15 to be appointed by the President by and with the advice
 16 and consent of the Senate .

17 “(b) AMENDMENT TO TITLE 5, U.S.C.—Section
 18 5314 of title 5, United States Code, is amended by insert-
 19 ing ‘Under Secretary of Commerce for Economic Develop-
 20 ment,’ after ‘Under Secretary of Commerce,’.

21 **“SEC. 602. OFFICE OF ECONOMIC DEVELOPMENT.**

22 “(a) ESTABLISHMENT.—The Secretary shall estab-
 23 lish an Office of Economic Development (hereinafter in
 24 this section referred to as the ‘Office’) within the Depart-
 25 ment of Commerce.

1 “(b) FUNCTIONS.—The head of the Office shall be
2 the Under Secretary of Commerce for Economic Develop-
3 ment who shall assist the Secretary in carrying out the
4 Secretary’s duties under this Act, including the issuance
5 of rules, regulations, and policies.

6 “(c) CLEARINGHOUSE.—It shall be a duty of the
7 Under Secretary in administering the Office—

8 “(1) to serve as a central information clearing-
9 house on matters relating to economic development,
10 economic adjustment, disaster recovery, and defense
11 conversion programs and activities of the Federal
12 and State governments, including political subdivi-
13 sions of the States; and

14 “(2) to help potential and actual applicants for
15 economic development, economic adjustment, disas-
16 ter recovery, and defense conversion assistance
17 under Federal, State, and local laws in locating and
18 applying for such assistance, including financial and
19 technical assistance.

20 **“SEC. 603. CONSULTATION WITH OTHER PERSONS AND**
21 **AGENCIES.**

22 “(a) CONSULTATION ON PROBLEMS RELATING TO
23 EMPLOYMENT.—The Secretary is authorized from time to
24 time to call together and confer with any persons, includ-
25 ing representatives of labor, management, agriculture, and

1 government, who can assist in meeting the problems of
2 area and regional unemployment or underemployment.

3 “(b) CONSULTATION ON ADMINISTRATION OF ACT.—

4 The Secretary may make provisions for such consultation
5 with interested departments and agencies as the Secretary
6 may deem appropriate in the performance of the functions
7 vested in the Secretary by this Act.

8 **“SEC. 604. ADMINISTRATION, OPERATION, AND MAINTENANCE.**
9

10 “No Federal assistance shall be approved under this
11 Act unless the Secretary is satisfied that the project for
12 which Federal assistance is granted will be properly and
13 efficiently administered, operated, and maintained.

14 **“SEC. 605. AUTHORITY TO ESTABLISH INDEPENDENT AGENCY IN EVENT DEPARTMENT OF COMMERCE IS**
15 **ABOLISHED.**
16

17 “In the event that the Department of Commerce is
18 abolished by a law enacted after the effective date of the
19 Economic Development Partnership Act of 1995, the
20 President is authorized to establish an independent agency
21 to carry out the duties of the Secretary under this Act.

22 **“SEC. 606. TREATMENT OF ECONOMIC DEVELOPMENT**
23 **EMPLOYEES.**

24 “In considering applications for employment at Re-
25 gional Commissions or in the Office of Economic Develop-

1 ment, preference shall be given to current Economic De-
2 velopment Administration employees.

3 **“PART B—ABOLISHMENT OF ECONOMIC**
4 **DEVELOPMENT ADMINISTRATION**

5 **“SEC. 610. ABOLISHMENT.**

6 “The Economic Development Administration of the
7 Department of Commerce is abolished.

8 **“SEC. 611. CONCLUSION OF BUSINESS.**

9 “The Secretary shall provide for the conclusion of any
10 outstanding affairs of the Economic Development Admin-
11 istration, including matters affecting the disposition of
12 personnel.

13 **“SEC. 612. SAVINGS PROVISIONS.**

14 “(a) EXISTING RIGHTS, DUTIES, AND OBLIGATIONS
15 NOT AFFECTED.—This part shall not be construed as af-
16 fecting the validity of any right, duty, or obligation of the
17 United States or any other person arising under or pursu-
18 ant to any contract, loan, or other instrument or agree-
19 ment which was in effect on the day before the effective
20 date of this part.

21 “(b) CONTINUATION OF SUITS.—No action or other
22 proceeding commenced by or against any officer or em-
23 ployee of the Economic Development Administration shall
24 abate by reason of the enactment of this part; except that

1 the Secretary shall be substituted for such officer or em-
2 ployee as a party to any such action or proceeding.

3 **“SEC. 613. AMENDMENT TO TITLE 5, U.S.C.**

4 “Section 5316 of title 5, United States Code, is
5 amended by striking ‘Administrator for Economic Devel-
6 opment.’.

7 **“TITLE VII—MISCELLANEOUS**

8 **“SEC. 701. POWERS OF SECRETARY.**

9 “(a) IN GENERAL.—In performing the Secretary’s
10 duties under this Act, the Secretary is authorized to—

11 “(1) adopt, alter, and use a seal, which shall be
12 judicially noticed;

13 “(2) subject to the civil-service and classifica-
14 tion laws, select, employ, appoint, and fix the com-
15 pensation of such personnel as may be necessary to
16 carry out the provisions of this Act;

17 “(3) hold such hearings, sit and act at such
18 times and places, and take such testimony, as the
19 Secretary may deem advisable;

20 “(4) request directly from any executive depart-
21 ment, bureau, agency, board, commission, office,
22 independent establishment, or instrumentality infor-
23 mation, suggestions, estimates, and statistics needed
24 to carry out the purposes of this Act; and each de-
25 partment, bureau, agency, board, commission, office,

1 establishment, or instrumentality is authorized to
2 furnish such information, suggestions, estimates,
3 and statistics directly to the Secretary;

4 “(5) under regulations prescribed by the Sec-
5 retary, assign or sell at public or private sale, or oth-
6 erwise dispose of for cash or credit, in the Sec-
7 retary’s discretion and upon such terms and condi-
8 tions and for such consideration as the Secretary de-
9 termines to be reasonable, any evidence of debt, con-
10 tract, claim, personal property, or security assigned
11 to or held by the Secretary in connection with assist-
12 ance extended under this Act, and collect or com-
13 promise all obligations assigned to or held by the
14 Secretary in connection with such assistance until
15 such time as such obligations may be referred to the
16 Attorney General for suit or collection;

17 “(6) deal with, complete, renovate, improve,
18 modernize, insure, rent, or sell for cash or credit,
19 upon such terms and conditions and for such consid-
20 eration as the Secretary determines to be reasonable,
21 any real or personal property conveyed to, or other-
22 wise acquired by the Secretary in connection with
23 assistance extended under this Act;

24 “(7) pursue to final collection, by way of com-
25 promise or other administrative action, prior to ref-

1 erence to the Attorney General, all claims against
2 third parties assigned to the Secretary in connection
3 with assistance extended this Act;

4 “(8) acquire, in any lawful manner and in ac-
5 cordance with the requirements of the Federal Prop-
6 erty and Administrative Services Act of 1949, any
7 property (real, personal, or mixed, tangible or intan-
8 gible), whenever necessary or appropriate to the con-
9 duct of the activities authorized under this Act;

10 “(9) in addition to any powers, functions, privi-
11 leges, and immunities otherwise vested in the Sec-
12 retary, take any action, including the procurement of
13 the services of attorneys by contract, determined by
14 the Secretary to be necessary or desirable in making,
15 purchasing, servicing, compromising, modifying, liq-
16 uidating, or otherwise administratively dealing with
17 assets held in connection with financial assistance
18 extended under this Act;

19 “(10) employ experts and consultants or organi-
20 zations as authorized by section 3109 of title 5,
21 United States Code, compensate individuals so em-
22 ployed at rates not in excess of \$100 per diem, in-
23 cluding travel time, and allow them, while away from
24 their homes or regular places of business, travel ex-
25 penses (including per diem in lieu of subsistence) as

1 authorized by section 5703 of title 5, United States
2 Code, for persons in the Government service em-
3 ployed intermittently, while so employed, except that
4 contracts for such employment may be renewed an-
5 nually;

6 “(11) sue and be sued in any court of record
7 of a State having general jurisdiction or in any
8 United States district court, and jurisdiction is con-
9 ferred upon such district court to determine such
10 controversies without regard to the amount in con-
11 troversy; but no attachment, injunction, garnish-
12 ment, or other similar process, mesne or final, shall
13 be issued against the Secretary or the Secretary’s
14 property;

15 “(12) make discretionary grants, pursuant to
16 authorities otherwise available to a Regional Com-
17 mission under this Act and without regard to the re-
18 quirements of section 504, to implement significant
19 regional initiatives, to take advantage of special de-
20 velopment opportunities, or to respond to emergency
21 economic distress in the region from the funds with-
22 held from distribution to the Regional Commissions;
23 except that the aggregate amount of such discre-
24 tionary grants in any fiscal year may not exceed 10

1 percent of the amounts appropriated under title VIII
2 for such fiscal year; and

3 “(13) establish such rules, regulations, and pro-
4 cedures as the Secretary considers appropriate in
5 carrying out the provisions of this Act.

6 “(b) DEFICIENCY JUDGMENTS.—The authority
7 under subsection (a)(7) to pursue claims shall include the
8 authority to obtain deficiency judgments or otherwise in
9 the case of mortgages assigned to the Secretary.

10 “(c) INAPPLICABILITY OF CERTAIN OTHER RE-
11 QUIREMENTS.—Section 3709 of the Revised Statutes of
12 the United States shall not apply to any contract of haz-
13 ard insurance or to any purchase or contract for services
14 or supplies on account of property obtained by the Sec-
15 retary as a result of assistance extended under this Act
16 if the premium for the insurance or the amount of the
17 insurance does not exceed \$1,000.

18 “(d) POWERS OF CONVEYANCE AND EXECUTION.—
19 The power to convey and to execute, in the name of the
20 Secretary, deeds of conveyance, deeds of release, assign-
21 ments and satisfactions of mortgages, and any other writ-
22 ten instrument relating to real or personal property or any
23 interest therein acquired by the Secretary pursuant to the
24 provisions of this Act may be exercised by the Secretary,
25 or by any officer or agent appointed by the Secretary for

1 such purpose, without the execution of any express delega-
2 tion of power or power of attorney.

3 **“SEC. 702. ALLOCATION OF FUNDS.**

4 “The Secretary shall establish a formula for the equi-
5 table allocation among the Regional Commissions of
6 amounts appropriated to carry out this Act.

7 **“SEC. 703. PERFORMANCE MEASURES.**

8 “The Secretary shall establish performance measures
9 for grants and other assistance provided under this Act.
10 Such performance measures shall be used to evaluate
11 project proposals and conduct evaluations of projects re-
12 ceiving such assistance.

13 **“SEC. 704. MAINTENANCE OF STANDARDS.**

14 “The Secretary shall continue to implement and en-
15 force the provisions of section 712 of this Act, as in effect
16 on the day before the effective date of the Economic Devel-
17 opment Partnership Act of 1995.

18 **“SEC. 705. TRANSFER OF FUNCTIONS.**

19 “The functions, powers, duties, and authorities and
20 the assets, funds, contracts, loans, liabilities, commit-
21 ments, authorizations, allocations, and records which are
22 vested in or authorized to be transferred to the Secretary
23 of the Treasury under section 29(b) of the Area Redevel-
24 opment Act, and all functions, powers, duties, and authori-

1 ties under section 29(c) of such Act are hereby vested in
2 the Secretary.

3 **“SEC. 706. DEFINITION OF STATE.**

4 “In this Act, the terms ‘State’, ‘States’, and ‘United
5 States’ include the several States and each of the other
6 political entities included in a region established by section
7 105.

8 **“SEC. 707. ANNUAL REPORT TO CONGRESS.**

9 “The Secretary shall transmit a comprehensive and
10 detailed annual report to Congress of the Secretary’s and
11 each Regional Commission’s operations under this Act for
12 each fiscal year beginning with the fiscal year ending Sep-
13 tember 30, 1996. Such report shall be printed and shall
14 be transmitted to Congress not later than April 1 of the
15 year following the fiscal year with respect to which such
16 report is made.

17 **“SEC. 708. USE OF OTHER FACILITIES.**

18 “(a) DELEGATION OF FUNCTIONS TO OTHER FED-
19 ERAL DEPARTMENTS AND AGENCIES.—The Secretary
20 may delegate to the heads of other departments and agen-
21 cies of the Federal Government any of the Secretary’s
22 functions, powers, and duties under this Act as the Sec-
23 retary may deem appropriate, and to authorize the redele-
24 gation of such functions, powers, and duties by the heads
25 of such departments and agencies.

1 “(b) DEPARTMENT AND AGENCY EXECUTION OF
2 DELEGATED AUTHORITY.—Departments and agencies of
3 the Federal Government shall exercise their powers, du-
4 ties, and functions in such manner as will assist in carry-
5 ing out the objectives of this Act.

6 “(c) TRANSFER BETWEEN DEPARTMENTS.—Funds
7 authorized to be appropriated under this Act may be
8 transferred between departments and agencies of the Gov-
9 ernment, if such funds are used for the purposes for which
10 they are specifically authorized and appropriated.

11 “(d) FUNDS TRANSFERRED FROM OTHER DEPART-
12 MENTS AND AGENCIES.—In order to carry out the objec-
13 tives of this Act, the Secretary may accept transfers of
14 funds from other departments and agencies of the Federal
15 Government if the funds are used for the purposes for
16 which (and in accordance with the terms under which) the
17 funds are specifically authorized and appropriated. Such
18 transferred funds shall remain available until expended,
19 and may be transferred to and merged with the appropria-
20 tions under the heading ‘salaries and expenses’ by the Sec-
21 retary to the extent necessary to administer the program.

22 **“SEC. 709. PENALTIES.**

23 “(a) FALSE STATEMENTS; SECURITY OVER-
24 VALUATION.—Whoever makes any statement knowing it
25 to be false, or whoever willfully overvalues any security,

1 for the purpose of obtaining for such person or for any
2 applicant any financial assistance under this Act or any
3 extension of such assistance by renewal, deferment or ac-
4 tion, or otherwise, or the acceptance, release, or substi-
5 tution of security for such assistance, or for the purpose
6 of influencing in any way the action of the Secretary or
7 a Regional Commission or for the purpose of obtaining
8 money, property, or anything of value, under this Act,
9 shall be fined under title 18, United States Code, impris-
10 oned for not more than 5 years, or both.

11 “(b) EMBEZZLEMENT AND FRAUD-RELATED
12 CRIMES.—Whoever, being connected in any capacity with
13 the Secretary or a Regional Commission, in the adminis-
14 tration of this Act—

15 “(1) embezzles, abstracts, purloins, or willfully
16 misapplies any moneys, funds, securities, or other
17 things of value, whether belonging to such person or
18 pledged or otherwise entrusted to such person;

19 “(2) with intent to defraud the Secretary or a
20 Regional Commission or any other body politic or
21 corporate, or any individual, or to deceive any offi-
22 cer, auditor, or examiner, makes any false entry in
23 any book, report, or statement of or to the Secretary
24 or a Regional Commission, or without being duly au-
25 thorized draws any orders or issues, puts forth, or

1 assigns any note, debenture, bond, or other obliga-
2 tion, or draft, bill of exchange, mortgage, judgment,
3 or decree thereof;

4 “(3) with intent to defraud, participates or
5 shares in or receives directly or indirectly any
6 money, profit, property, or benefit through any
7 transaction, loan, grant, commission, contract, or
8 any other act of the Secretary or a Regional Com-
9 mission; or

10 “(4) gives any unauthorized information con-
11 cerning any future action or plan of the Secretary
12 or a Regional Commission which might affect the
13 value of securities, or having such knowledge invests
14 or speculates, directly or indirectly, in the securities
15 or property of any company or corporation receiving
16 loans, grants, or other assistance from the Secretary
17 or a Regional Commission,

18 shall be fined under title 18, United States Code, impris-
19 oned for not more than 5 years, or both.

20 **“SEC. 710. EMPLOYMENT OF EXPEDITERS AND ADMINIS-**
21 **TRATIVE EMPLOYEES.**

22 “No financial assistance shall be extended by a Re-
23 gional Commission under this Act to any business enter-
24 prise unless the owners, partners, or officers of such busi-
25 ness enterprise—

1 “(1) certify to the Regional Commission the
2 names of any attorneys, agents, and other persons
3 engaged by or on behalf of such business enterprise
4 for the purpose of expediting applications made to
5 the Regional Commission for assistance of any sort,
6 under this Act, and the fees paid or to be paid to
7 any such person; and

8 “(2) execute an agreement binding such busi-
9 ness enterprise, for a period of 2 years after such
10 assistance is rendered by the Regional Commission
11 to such business enterprise, to refrain from employ-
12 ing, tendering any office or employment to, or re-
13 taining for professional services, any person who, on
14 the date such assistance or any part thereof was
15 rendered, or within the 1-year period ending on such
16 date, shall have served as an officer, attorney, agent,
17 or employee, occupying a position or engaging in ac-
18 tivities which the Regional Commission determines
19 involves discretion with respect to the granting of
20 assistance under this Act.

21 **“SEC. 711. PERSONAL FINANCIAL INTERESTS.**

22 “(a) IN GENERAL.—Except as permitted by sub-
23 section (b), no State member or alternate and no officer
24 or employee of a Regional Commission shall participate
25 personally and substantially as member, alternate, officer,

1 or employee, through decision, approval, disapproval, rec-
2 ommendation, the rendering of advice, investigation, or
3 otherwise, in any proceeding, application, request for a
4 ruling or other determination, contract, claim, con-
5 troversy, or other particular matter in which, to the indi-
6 vidual's knowledge, the individual, the individual's spouse,
7 minor child, partner, organization (other than a State or
8 political subdivision thereof) in which the individual is
9 serving as officer, director, trustee, partner, or employee,
10 or any person or organization with whom the individual
11 is serving as officer, director, trustee, partner, or em-
12 ployee, or any person or organization with whom the indi-
13 vidual is negotiating or has any arrangement concerning
14 prospective employment, has a financial interest. Any indi-
15 vidual who shall violate the provisions of this subsection
16 shall be fined under title 18, United States Code, impris-
17 oned for not more than 2 years, or both.

18 “(b) EXCEPTION.—Subsection (a) shall not apply if
19 the State member, alternate, officer, or employee first ad-
20 vises the Regional Commission of the nature and cir-
21 cumstances of the proceeding, application, request for a
22 ruling or other determination, contract, claim, con-
23 troversy, or other particular matter and makes full disclo-
24 sure of the financial interest and receives in advance a
25 written determination made by the Regional Commission

1 that the interest is not so substantial as to be deemed like-
2 ly to affect the integrity of the services which the Regional
3 Commission may expect from such State member, alter-
4 nate, officer, or employee.

5 “(c) SALARIES.—No State member or alternate of a
6 Regional Commission shall receive any salary, or any con-
7 tribution to or supplementation of salary for the individ-
8 ual’s services on the Regional Commission from any
9 source other than the State of the individual. No individ-
10 ual detailed to serve the Regional Commission under au-
11 thority of section 104 shall receive any salary or any con-
12 tribution to or supplementation of salary for the individ-
13 ual’s services on the Regional Commission from any
14 source other than the State, local, or intergovernmental
15 department or agency from which he was detailed or from
16 the Regional Commission. Any individual who shall violate
17 the provisions of this subsection shall be fined under title
18 18, United States Code, imprisoned for not more than 1
19 year, or both.

20 “(d) NONAPPLICABILITY TO FEDERAL OFFICIALS.—
21 Notwithstanding any other provision of this section, the
22 Secretary (or the Secretary’s designee on a Regional Re-
23 gional Commission) and any Federal officers or employees
24 detailed to duty with a Regional Commission pursuant to
25 section 104 shall not be subject to such provisions but

1 shall remain subject to sections 202 through 209 of title
2 18, United States Code.

3 “(e) AUTHORITY TO RESCIND CERTAIN AGREE-
4 MENTS.—A Regional Commission may, in the Regional
5 Commission’s discretion, declare void and rescind any
6 agreement to extend financial assistance under this Act
7 entered into by the Regional Commission in relation to
8 which the Regional Commission finds that there has been
9 a violation of subsection (a) or (c) of this section or any
10 of the provisions of sections 202 through 209 of title 18,
11 United States Code.

12 **“SEC. 712. MAINTENANCE OF RECORDS OF APPROVED AP-**
13 **PLICATIONS FOR FINANCIAL ASSISTANCE;**
14 **PUBLIC INSPECTION.**

15 “(a) MAINTENANCE OF RECORD REQUIRED.—The
16 Secretary shall maintain as a permanent part of the
17 records of the Department of Commerce a list of applica-
18 tions approved for financial assistance under this Act,
19 which shall be kept available for public inspection during
20 the regular business hours of the Department of Com-
21 merce.

22 “(b) POSTING TO LIST.—The following information
23 shall be posted in such list as soon as each application
24 is approved:

1 “(1) The name of the applicant and, in the case
2 of corporate applications, the names of the officers
3 and directors thereof.

4 “(2) The amount and duration of the financial
5 assistance for which application is made.

6 “(3) The purposes for which the proceeds of the
7 financial assistance are to be used.

8 **“SEC. 713. RECORDS AND AUDIT.**

9 “(a) RECORDKEEPING AND DISCLOSURE REQUIRE-
10 MENTS.—Each recipient of assistance under this Act shall
11 keep such records as the Secretary shall prescribe, includ-
12 ing records which fully disclose the amount and the dis-
13 position by such recipient of the proceeds of such assist-
14 ance, the total cost of the project or undertaking in con-
15 nection with which such assistance is given or used, and
16 the amount and nature of that portion of the cost of the
17 project or undertaking supplied by other sources, and such
18 other records as will facilitate an effective audit.

19 “(b) ACCESS TO BOOKS FOR EXAMINATION AND
20 AUDIT.—The Secretary and the Comptroller General of
21 the United States, or any of their duly authorized rep-
22 resentatives, shall have access for the purpose of audit and
23 examination to any books, documents, papers, and records
24 of the recipient that are pertinent to assistance received
25 under this Act.

1 **“SEC. 714. PROHIBITION AGAINST A STATUTORY CON-**
2 **STRUCTION WHICH MIGHT CAUSE DIMINU-**
3 **TION IN OTHER FEDERAL ASSISTANCE.**

4 “All financial and technical assistance authorized
5 under this Act shall be in addition to any Federal assist-
6 ance previously authorized, and no provision of this Act
7 shall be construed as authorizing or permitting any reduc-
8 tion or diminution in the proportional amount of Federal
9 assistance to which any State or other entity eligible under
10 this Act would otherwise be entitled under the provisions
11 of any other Act.

12 **“SEC. 715. ACCEPTANCE OF APPLICANTS’ CERTIFICATIONS.**

13 “A Regional Commission may accept, when deemed
14 appropriate, the applicants’ certifications to meet the re-
15 quirements of this Act.

16 **“TITLE VIII—FUNDING**

17 **“SEC. 801. AUTHORIZATION OF APPROPRIATIONS**

18 “There is authorized to be appropriated to carry out
19 this Act \$340,000,000 per fiscal year for each of fiscal
20 years 1996, 1997, 1998, 1999, and 2000. Such sums shall
21 remain available until expended.

22 **“SEC. 802. DEFENSE CONVERSION ACTIVITIES.**

23 “In addition to the appropriations authorized by sec-
24 tion 801, there are authorized to be appropriated to carry
25 out this Act such sums as may be necessary to provide
26 assistance for defense conversion activities. Such funding

1 may include pilot projects for privatization and economic
2 development activities for closed or realigned military in-
3 stallations. Such sums shall remain available until ex-
4 pended.”.

5 **TITLE II—APPALACHIAN** 6 **REGIONAL DEVELOPMENT**

7 **SEC. 201. AMENDMENT OF APPALACHIAN REGIONAL DE-** 8 **VELOPMENT ACT OF 1965.**

9 Except as otherwise expressly provided, whenever in
10 this Act an amendment or repeal is expressed in terms
11 of an amendment to, or repeal of, a section or other provi-
12 sion, the reference shall be considered to be made to a
13 section or other provision of the Appalachian Regional De-
14 velopment Act of 1965 (40 U.S.C. App. 1 et seq.).

15 **SEC. 202. FINDINGS AND PURPOSES.**

16 Section 2 (40 U.S.C. App. 2) is amended by adding
17 at the end the following:

18 “(c) 1995 FINDINGS AND PURPOSES.—The Congress
19 further finds and declares that, while substantial progress
20 has been made in fulfilling many of the objectives of this
21 Act, rapidly changing national and global economies over
22 the past decade have created new problems and challenges
23 for rural areas throughout the Nation and especially for
24 the Appalachian region. It is, therefore, also the purpose
25 of this Act to assist the region in providing the infrastruc-

1 ture necessary for economic and human resource develop-
2 ment, in developing its industry, in building entrepreneur-
3 ial communities, in generating a diversified regional econ-
4 omy, and in making its industrial and commercial re-
5 sources more competitive in national and world markets.
6 It is further the purpose of this Act to provide a frame-
7 work for coordinating Federal, State, and local initiatives
8 to respond to the economic competitive challenge through
9 improving the skills of the region's workforce, adapting
10 and applying new technologies for the region's businesses,
11 and improving the access of the region's businesses to the
12 technical and financial resources necessary to their devel-
13 opment. Finally, it is the purpose of this Act to address
14 the needs of severely and persistently distressed and un-
15 derdeveloped areas of the region so as to provide a fairer
16 opportunity for the people of the region to share the qual-
17 ity of life generally enjoyed by citizens across this Na-
18 tion.".

19 **SEC. 203. MEETINGS.**

20 (a) ANNUAL MEETING REQUIREMENT.—Section
21 101(a) (40 U.S.C. App. 101(a)) is amended by adding at
22 the end the following: "The Commission shall conduct at
23 least one meeting each year with the Federal Cochairman
24 and at least a majority of the State members present.".

1 (b) ADDITIONAL MEETINGS BY ELECTRONIC
2 MEANS.—Section 101 (40 U.S.C. App. 101) is amended—

3 (1) in subsection (a), as amended by subsection
4 (a) of this section, by adding at the end the follow-
5 ing: “The Commission may conduct such additional
6 meetings by electronic means as the Commission
7 considers advisable, including meetings to decide
8 matters requiring an affirmative vote.”; and

9 (2) in subsection (c) by striking “to be present”
10 at the end of the fourth sentence.

11 (c) DECISIONS REQUIRING A QUORUM.—Section
12 101(b) (40 U.S.C. App. 101(b)) is amended by striking
13 the third sentence and inserting the following: “No deci-
14 sion involving Commission policy, approval of State, re-
15 gional, or subregional development plans or implementing
16 investment programs, any modification or revision of the
17 Appalachian Regional Commission Code, any allocation of
18 funds among the State, or any designation of a distressed
19 county or an economically competitive county may be
20 made without a quorum of State members.”.

21 **SEC. 204. AUTHORIZATIONS FOR ADMINISTRATIVE EX-**
22 **PENSES.**

23 Section 105(b) (40 U.S.C. App. 105(b)) is amended
24 to read as follows:

25 “(b) AUTHORIZATION OF APPROPRIATIONS.—

1 “(1) IN GENERAL.—There is authorized to be
2 appropriated to carry out this section \$3,645,000
3 per fiscal year for each of fiscal years 1996 through
4 2000. Such sums shall remain available until ex-
5 pended.

6 “(2) EXPENSES OF FEDERAL COCHAIRMAN.—
7 Of the amounts appropriated pursuant to paragraph
8 (1), not to exceed \$1,245,000 per fiscal year for
9 each of fiscal years 1996 through 2000 shall be
10 available for expenses of the Federal Cochairman,
11 the Federal Cochairman’s alternate, and the Federal
12 Cochairman’s staff.”.

13 **SEC. 205. ADMINISTRATIVE POWERS OF COMMISSION.**

14 (a) AUTHORITY TO LEASE.—Section 106(7) (40
15 U.S.C. App. 106(7)) is amended—

16 (1) by inserting “subject to the requirements of
17 the Federal Property and Administrative Services
18 Act of 1949,” after “(7)”;

19 (2) by striking “notwithstanding any other pro-
20 vision of law,”; and

21 (3) by striking “1982” and inserting “2000”.

22 (b) AUTHORITY TO MAINTAIN TEMPORARY OF-
23 FICE.—Section 106(8) (40 U.S.C. App. 106(8)) is amend-
24 ed by inserting “subject to the requirements of the Fed-

1 eral Property and Administrative Services Act of 1949,”
2 after “(8)”.

3 **SEC. 206. HIGHWAY SYSTEM.**

4 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
5 201(g) (40 U.S.C. App. 201(g)) is amended to read as
6 follows:

7 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
8 is authorized to be appropriated to carry out this section
9 \$90,000,000 per fiscal year for each of fiscal years 1996
10 through 2000. Such sums shall remain available until ex-
11 pended.”.

12 (b) COST SHARING.—

13 (1) IN GENERAL.—Section 201(h)(1) (40
14 U.S.C. App. 201(h)(1)) is amended by striking “70
15 per centum” and inserting “80 percent”.

16 (2) APPLICABILITY.—The amendment made by
17 paragraph (1) shall apply to projects approved after
18 March 31, 1979.

19 **SEC. 207. COST SHARING OF DEMONSTRATION HEALTH**
20 **PROJECTS.**

21 (a) OPERATION COSTS.—Section 202(c) (40 U.S.C.
22 App. 202(c)) is amended in the first sentence by striking
23 “100 per centum of the costs thereof” and all that follows
24 through the period at the end of the second sentence and
25 inserting “50 percent of the costs thereof (or 80 percent

1 of such costs in the case of a project to be carried out
2 in a county for which a distressed county designation is
3 in effect under section 226).”.

4 (b) COST SHARING.—Section 202 (40 U.S.C. App.
5 202) is amended by adding at the end the following:

6 “(f) MAXIMUM COMMISSION CONTRIBUTION AFTER
7 SEPTEMBER 30, 1995.—After September 30, 1995, not
8 more than 50 percent of any project cost eligible for finan-
9 cial assistance under this section may be provided from
10 funds appropriated to carry out this Act; except that such
11 maximum Commission contribution may be increased to
12 80 percent, or to the percentage of the maximum Federal
13 contribution authorized by this section, whichever is less,
14 for a project to be carried out in a county for which a
15 distressed county designation is in effect under section
16 226.”.

17 **SEC. 208. REPEAL OF LAND STABILIZATION, CONSERVA-**
18 **TION, AND EROSION CONTROL PROGRAM.**

19 Section 203 (40 U.S.C. App. 203) is repealed.

20 **SEC. 209. REPEAL OF TIMBER DEVELOPMENT PROGRAM.**

21 Section 204 (40 U.S.C. App. 204) is repealed.

22 **SEC. 210. REPEAL OF MINING AREA RESTORATION PRO-**
23 **GRAM.**

24 Section 205 (40 U.S.C. App. 205) is repealed.

1 **SEC. 211. REPEAL OF WATER RESOURCE SURVEY.**

2 Section 206 (40 U.S.C. App. 206) is repealed.

3 **SEC. 212. COST SHARING OF HOUSING PROJECTS.**

4 (a) LOANS.—Section 207(b) (40 U.S.C. App. 207(b))
5 is amended by striking “80 per centum” and inserting “50
6 percent (or 80 percent in the case of a project to be carried
7 out in a county for which a distressed county designation
8 is in effect under section 226)”.

9 (b) GRANTS.—Section 207(c)(1) (40 U.S.C.
10 207(c)(1)) is amended by striking “80 per centum” and
11 inserting “50 percent (or 80 percent in the case of a
12 project to be carried out in a county for which a distressed
13 county designation is in effect under section 226)”.

14 **SEC. 213. REPEAL OF AIRPORT SAFETY IMPROVEMENTS**
15 **PROGRAM.**

16 Section 208 (40 U.S.C. App. 208) is repealed.

17 **SEC. 214. COST SHARING OF VOCATIONAL EDUCATION AND**
18 **EDUCATION DEMONSTRATION PROJECTS.**

19 (a) OPERATION COSTS.—Section 211(b)(3) (40
20 U.S.C. App. 211(b)(3)) is amended in the first sentence
21 by striking “100 per centum of the costs thereof” and all
22 that follows through the period at the end of the second
23 sentence and inserting “50 percent of the costs thereof
24 (or 80 percent of such costs in the case of a project to
25 be carried out in a county for which a distressed county
26 designation is in effect under section 226).”

1 (b) COST SHARING.—Section 211 (40 U.S.C. App.
2 211) is amended by adding at the end the following:

3 “(c) MAXIMUM COMMISSION CONTRIBUTION AFTER
4 SEPTEMBER 30, 1995.—After September 30, 1995, not
5 more than 50 percent of any project cost eligible for finan-
6 cial assistance under this section may be provided from
7 funds appropriated to carry out this Act; except that such
8 maximum Commission contribution may be increased to
9 80 percent, or to the percentage of the maximum Federal
10 contribution authorized by this section, whichever is less,
11 for a project to be carried out in a county for which a
12 distressed county designation is in effect under section
13 226.”.

14 **SEC. 215. SEWAGE TREATMENT WORKS PROGRAM.**

15 Section 212 (40 U.S.C. App. 212) is repealed.

16 **SEC. 216. REPEAL OF AMENDMENTS TO HOUSING ACT OF**
17 **1954.**

18 Section 213 (40 U.S.C. App. 213) is repealed.

19 **SEC. 217. SUPPLEMENTS TO FEDERAL GRANT-IN-AID PRO-**
20 **GRAMS.**

21 (a) AVAILABILITY OF AMOUNTS.—The first sentence
22 of section 214(a) (40 U.S.C. App. 214(a)) is amended by
23 striking “the President is authorized to provide funds to
24 the Federal Cochairman to be used” and inserting “the

1 Federal Cochairman may use amounts made available to
2 carry out this section”.

3 (b) COST SHARING.—Section 214(b) (40 U.S.C. App.
4 214(b)) is amended—

5 (1) by striking “(b)” and inserting “(b)(1)”;
6 and

7 (2) by adding at the end the following:

8 “(2) After September 30, 1995, not more than 50
9 percent of any project cost eligible for financial assistance
10 under this section may be provided from funds appro-
11 priated to carry out this Act; except that such maximum
12 Commission contribution may be increased to 80 percent
13 for a project to be carried out in a county for which a
14 distressed county designation is in effect under section
15 226.”.

16 (c) FEDERAL GRANT-IN-AID PROGRAMS DEFINED.—
17 The first sentence of section 214(c) (40 U.S.C. App.
18 214(c)) is amended by striking “on or before December
19 31, 1980,”.

20 (d) LIMITATION ON COVERED ROAD PROJECTS.—
21 The second sentence of section 214(c) is amended by in-
22 serting “authorized by title 23, United States Code” after
23 “road construction”.

1 **SEC. 218. PROGRAM DEVELOPMENT CRITERIA.**

2 (a) CONSIDERATIONS.—Section 224(a) (40 U.S.C.
3 App. 224(a)) is amended by inserting before the semicolon
4 at the end of paragraph (1) the following: “or in a severely
5 and persistently distressed and underdeveloped county or
6 area”.

7 (b) OUTCOME MEASUREMENTS.—Section 224(a) is
8 further amended—

9 (1) by striking the period at the end of para-
10 graph (5) and inserting “; and”; and

11 (2) by adding at the end the following:

12 “(6) the extent to which the project design pro-
13 vides for detailed outcome measurements by which
14 grant expenditures may be justified.”.

15 (c) REMOVAL OF LIMITATIONS.—Section 224(b) (40
16 U.S.C. App. 224(b)) is amended to read as follows:

17 “(b) LIMITATION.—No financial assistance made
18 available under this Act may be used to assist establish-
19 ments relocating from one area to another.”.

20 **SEC. 219. DISTRESSED AND ECONOMICALLY COMPETITIVE**
21 **COUNTIES.**

22 Part C of title II (40 U.S.C. App. 221–225) is
23 amended by adding at the end the following:

1 **“SEC. 226. DISTRESSED AND ECONOMICALLY COMPETITIVE**
2 **COUNTIES.**

3 “(a) DESIGNATIONS.—Not later than 90 days after
4 the effective date of the Economic Development Partner-
5 ship Act of 1995, and annually thereafter, the Commis-
6 sion, in accordance with such criteria as the Commission
7 may establish, shall—

8 “(1) designate as ‘distressed counties’ those
9 counties in the region that are the most severely and
10 persistently distressed and underdeveloped; and

11 “(2) designate as ‘economically competitive
12 counties’ those counties in the region which have at-
13 tained substantial economic parity with the rest of
14 the Nation.

15 “(b) PERIOD OF EFFECTIVENESS.—In making an-
16 nual designations under subsection (a), the Commission
17 may discontinue an existing designation at the discretion
18 of the Commission; except that any designation of a dis-
19 tressed county shall remain in effect for the 3-year period
20 beginning on the date of the designation.

21 “(c) FUNDING PROHIBITION FOR PROJECTS LO-
22 CATED IN ECONOMICALLY COMPETITIVE COUNTIES.—

23 “(1) IN GENERAL.—Except as provided by
24 paragraph (2), no funds may be provided under this
25 Act for a project located in a county for which an

1 economically competitive county designation is in ef-
 2 fect under this section.

3 “(2) EXCEPTIONS.—The prohibition established
 4 by paragraph (1) shall not apply to—

5 “(A) projects on the Appalachian develop-
 6 ment highway system authorized by section
 7 201;

8 “(B) local development district administra-
 9 tive projects authorized by section 302(a)(1); or

10 “(C) discretionary grants authorized by
 11 section 302(a).”.

12 **SEC. 220. GRANTS FOR ADMINISTRATIVE EXPENSES AND**
 13 **COMMISSION PROJECTS.**

14 (a) AVAILABILITY OF AMOUNTS.—Section 302(a) (40
 15 U.S.C. App. 302(a)) is amended—

16 (1) by striking “The President” and inserting
 17 “The Commission”; and

18 (2) in paragraphs (1), (2), and (3) by striking
 19 “to the Commission” each place it appears.

20 (b) COST SHARING.—Section 302(a) is further
 21 amended—

22 (1) in paragraph (1) by striking “75 per cen-
 23 tum” and inserting “50 percent”; and

24 (2) by adding at the end the following: “After
 25 September 30, 1995, not more than 50 percent of

1 the cost of any activity eligible for financial assist-
2 ance under this section may be provided from funds
3 appropriated to carry out this Act (or 80 percent of
4 such costs in the case of a project to be carried out
5 in a county for which a distressed county designa-
6 tion is in effect under section 226); except that dis-
7 cretionary grants by the Commission to implement
8 significant regional initiatives, to take advantage of
9 special development opportunities, or to respond to
10 emergency economic distress in the region may be
11 made without regard to such percentage limitations.
12 The aggregate amount of discretionary grants re-
13 ferred to in the preceding sentence in any fiscal year
14 shall not exceed 10 percent of the amounts appro-
15 priated under section 401 for such fiscal year.”.

16 (c) REPEALS.—Section 302 (40 U.S.C. App. 302) is
17 amended—

- 18 (1) by striking paragraphs (3) and (4) of sub-
19 section (b);
- 20 (2) by striking subsection (d); and
- 21 (3) by striking subsection (e).

22 **SEC. 221. AUTHORIZATION OF APPROPRIATIONS FOR GEN-**
23 **ERAL PROGRAM.**

24 Section 401 (40 U.S.C. App. 401) is amended to read
25 as follows:

1 **“SEC. 401. AUTHORIZATION OF APPROPRIATIONS.**

2 “In addition to the appropriations authorized by sec-
 3 tion 105 for administrative expenses and by section 201(g)
 4 for the Appalachian development highway system and
 5 local access roads, there is authorized to be appropriated
 6 to the Commission to carry out this Act \$88,355,000 per
 7 fiscal year for each of fiscal years 1996 through 2000.
 8 Such sums shall remain available until expended.”.

9 **SEC. 222. EXTENSION OF TERMINATION DATE.**

10 Section 405 (40 U.S.C. App. 405) is amended by
 11 striking “1982” and inserting “2000”.



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